

# Buchanan

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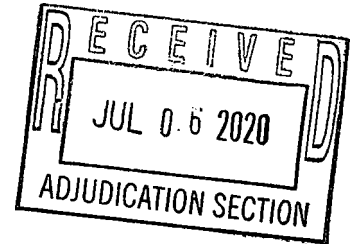
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June 30, 2020

**Via Federal Express**

Bureau of Ocean Energy Management  
Gulf of Mexico Region  
1201 Elmwood Park Blvd.  
New Orleans, LA 70123-2394



Re: Filing for Record - Loan from 405 Hackberry LLC, as Collateral Agent  
for the Lenders, to White Oak Resources VI, LLC

To Whom It May Concern:

This Firm represents 405 Hackberry LLC, as Collateral Agent for the Lenders, in connection with a loan to White Oak Resources VI, LLC. Please find below the information to make a Filing of Record.

1. Title of Document Being Filed: Act of Mortgage, Open End Mortgage, Line of Credit Mortgage, Assignment of As-Extracted Collateral, Security Agreement, Fixture Filing and Financing Statement dated June 26, 2020 between White Oak Resources VI, LLC, as Mortgagor, and 405 Hackberry LLC, as Mortgagee.
2. Document Being Filed: Act of Mortgage, Open End Mortgage, Line of Credit Mortgage, Assignment of As-Extracted Collateral, Security Agreement, Fixture Filing and Financing Statement dated June 26, 2020 between White Oak Resources VI, LLC, as Mortgagor, and 405 Hackberry LLC, as Mortgagee. (***COPY ATTACHED***)
3. Contact Information: David A. Pearl, Esq.,  
Buchanan Ingersoll & Rooney PC  
401 East Las Olas Blvd., Suite 2250  
Ft. Lauderdale, FL 33301  
Phone: (954) 468-2306  
Email: [david.pearl@bipc.com](mailto:david.pearl@bipc.com)
4. Parties: White Oak Resources VI, LLC, a Delaware limited liability company,  
as Mortgagor  
  
405 Hackberry LLC, a Delaware limited liability company, as Mortgagee

5. Category Number/Name: 1 – Mortgage, Deed of Trust, Security Agreement

6. Leases Affected:

OCS-G11984  
G01014EXP  
OCS-G05602  
OCS-G 1898  
OCS-G 09895 A002  
OCS-G 9895

7. Payment: Please find the payment receipt in the amount of \$174.00 made through Pay.Gov (representing a payment of \$29 per each lease referenced in Paragraph 6 above).

Please provide a date stamped copy of this filing in the self-addressed stamped envelope provided.

Please do not hesitate to contact me if you have any questions.

Very truly yours,

BUCHANAN INGERSOLL & ROONEY PC



David A. Pearl

DAP/  
Encl.

cc: Donald Malecki, Esq.

WHEN RECORDED OR FILED,  
PLEASE RETURN TO:  
Buchanan Ingersoll & Rooney PC  
Union Trust Building  
501 Grant Street, Suite 200  
Pittsburgh, PA 15219  
Attention: Donald E. Malecki, Esq.

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*Space above for Clerk of Court's Use*

ACT OF MORTGAGE, OPEN-END MORTGAGE, MULTIPLE INDEBTEDNESS  
MORTGAGE, LINE OF CREDIT MORTGAGE, ASSIGNMENT OF AS-EXTRACTED  
COLLATERAL, SECURITY AGREEMENT, FIXTURE FILING AND FINANCING  
STATEMENT

FROM

WHITE OAK RESOURCES VI, LLC,  
AS MORTGAGOR,

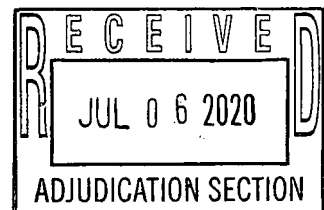
TO

405 HACKBERRY LLC,  
AS MORTGAGEE

June 26, 2020

THIS INSTRUMENT SECURES FUTURE ADVANCES.

A CARBON, PHOTOGRAPHIC, OR OTHER REPRODUCTION OF THIS INSTRUMENT IS  
SUFFICIENT AS A FINANCING STATEMENT.



BOEM

**THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS.**

**THIS INSTRUMENT SECURES PAYMENT OF FUTURE ADVANCES.**

**THIS INSTRUMENT COVERS PROCEEDS OF MORTGAGED PROPERTY.**

**THIS INSTRUMENT COVERS MINERALS AND OTHER SUBSTANCES OF VALUE WHICH MAY BE EXTRACTED FROM THE EARTH (INCLUDING WITHOUT LIMITATION OIL AND GAS) AND THE ACCOUNTS RELATED THERETO, WHICH WILL BE FINANCED AT THE WELLHEADS OF THE WELL OR WELLS LOCATED ON THE PROPERTIES DESCRIBED IN THE EXHIBIT HERETO. THIS FINANCING STATEMENT IS TO BE FILED OR FILED FOR RECORD, AMONG OTHER PLACES, IN THE REAL ESTATE RECORDS OR SIMILAR RECORDS OF THE CLERKS OF COURT IN THE PARISHES LISTED ON THE EXHIBIT HERETO. MORTGAGOR HAS AN INTEREST OF RECORD IN THE REAL ESTATE AND IMMOVABLE PROPERTY CONCERNED, WHICH INTEREST IS DESCRIBED IN THE EXHIBIT 1 ATTACHED HERETO.**

**PORTIONS OF THE MORTGAGED PROPERTY ARE GOODS WHICH ARE OR ARE TO BECOME AFFIXED TO OR FIXTURES ON THE LAND DESCRIBED IN OR REFERRED TO IN THE EXHIBIT HERETO. THIS FINANCING STATEMENT IS TO BE FILED FOR RECORD OR RECORDED, AMONG OTHER PLACES, IN THE REAL ESTATE RECORDS OR SIMILAR RECORDS OF EACH PARISH IN WHICH SAID LAND OR ANY PORTION THEREOF IS LOCATED. MORTGAGOR IS THE OWNER OF RECORD INTEREST IN THE REAL ESTATE CONCERNED. THIS INSTRUMENT IS ALSO TO BE INDEXED IN THE INDEX OF FINANCING STATEMENTS OR THE UCC RECORDS.**

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Exhibit 1 - Mortgaged Property (Real or Immovable Property)

ACT OF MORTGAGE, OPEN-END	*	
MORTGAGE,	*	
MULTIPLE	*	
INDEBTEDNESS MORTGAGE, LINE OF	*	
CREDIT MORTGAGE, ASSIGNMENT OF	*	UNITED STATES OF AMERICA
AS-EXTRACTED	*	
COLLATERAL,	*	
SECURITY AGREEMENT, FIXTURE	*	
FILING AND FINANCING STATEMENT	*	
	*	STATE OF TEXAS
BY	*	COUNTY OF HARRIS
	*	
WHITE OAK RESOURCES VI, LLC	*	
	*	
IN FAVOR OF	*	
	*	
405 HACKBERRY LLC, AS AGENT FOR	*	
THE LENDERS	*	
	*	
*****		

**BE IT KNOWN**, that on this 26<sup>th</sup> day of June, 2020,

**BEFORE ME**, the undersigned notary public, duly commissioned and qualified in and for the State and County aforesaid, and in the presence of the undersigned competent witnesses, personally came and appeared:

WHITE OAK RESOURCES VI, LLC, a Delaware limited liability company (“*Mortgagor*”) with a chief executive office of 16945 Northchase Drive, Suite 1700, Houston, Texas 77060, Attn: Thomas F. Isler, a taxpayer identification number of XX-XXX0761, appearing herein by and through Thomas Isler, its duly Authorized Officer pursuant to the authorizing resolutions attached hereto as Annex I.

who, after being duly sworn, declared as follows:

This ACT OF MORTGAGE, OPEN-END MORTGAGE, MULTIPLE INDEBTEDNESS MORTGAGE, LINE OF CREDIT MORTGAGE, ASSIGNMENT OF AS-EXTRACTED COLLATERAL, SECURITY AGREEMENT, FIXTURE FILING AND FINANCING STATEMENT (as the same may from time to time be amended, modified, supplemented or replaced, this “*Mortgage*”) is entered into effective as of June 26, 2020 (the “*Effective Date*”), by Mortgagor in favor of 405 HACKBERRY LLC, a Delaware limited liability company, as Collateral Agent for the Lenders (defined below) from time to time party to the Loan Agreement

(as hereinafter defined) (in such capacity, "**Agent**" or "**Mortgagee**") whose address for notice purposes is 405 Lexington Avenue, 59th Floor, New York, New York 10174.

RECITALS:

A. Mortgagor and White Oak Operating Company, LLC, a Texas limited liability company (collectively, the "**Borrower**") have entered into that certain Term Loan Agreement, dated of even date herewith (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Loan Agreement**") with the Agent, Cantor Fitzgerald Securities, as Administrative Agent, and the Lenders (as defined in the Loan Agreement) party thereto from time to time.

B. The Lenders have conditioned their obligations under the Loan Agreement upon, among other things, the execution and delivery by Mortgagor of this Mortgage, and Mortgagor has agreed to enter into this Mortgage to secure all obligations owing to the Mortgagee and the Lenders under the Loan Agreement.

NOW THEREFORE, to comply with the terms and conditions of the Loan Agreement and for other good and valuable consideration, the receipt and sufficiency of which are by this Mortgage acknowledged, Mortgagor by this Mortgage agrees as follows:

**ARTICLE I**  
**DEFINITIONS**

Section 1.01 Terms Defined Above. As used in this Mortgage, each term defined above has the meaning indicated above.

Section 1.02 UCC and Other Defined Terms. Any capitalized term not defined in this Mortgage will have the meaning ascribed to such term in the Applicable UCC or the Loan Agreement, as applicable.

Section 1.03 Definitions.

"**Affiliate**" has the meaning given to such term in the Loan Agreement.

"**Agent**" is defined in the introductory paragraph of this Mortgage.

"**Applicable UCC**" means the provisions of the Uniform Commercial Code presently in effect in the jurisdiction in the State of Louisiana or which otherwise is applicable to the creation or perfection of the Liens described in this Mortgage or the rights and remedies of Mortgagee under this Mortgage.

"**Collateral**" means, collectively, all the Mortgaged Property (Real or Immovable Property) and all the UCC Collateral (Personal or Movable Property).

"**Default Rate**" has the meaning given to such term in the Loan Agreement.

"**Dollars**" or "**\$**" means lawful money of the United States of America.



***“Effective Date”*** is defined in the introductory paragraph of this Mortgage.

***“Event of Default”*** is defined in Section 5.01.

***“Excepted Liens”*** means Permitted Liens.

***“Excluded Assets”*** has the meaning given to such term in the Loan Agreement.

***“Flood Insurance Regulations”*** means (1) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (2) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statute thereto, (3) the National Flood Insurance Reform Act of 1994 (amending 42 USC 4001, et. seq.), as the same may be amended or recodified from time to time, and (4) the Flood Insurance Reform Act of 2004 and any regulations promulgated thereunder.

***“Future Advances”*** means future obligations and future advances that the Lenders may make pursuant to any Loan Document.

***“GAAP”*** has the meaning given to such term in the Loan Agreement.

***“Governmental Authority”*** shall mean any nation, country, commonwealth, territory, government, state, county, parish, municipality, or other political subdivision and any entity exercising executive, legislative, judicial, regulatory, or administrative functions of or pertaining to government.

***“Hydrocarbons”*** means all oil, gas, casinghead gas, drip gasoline, natural gasoline, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons and all constituents, elements or compounds thereof and all products refined or separated therefrom and all other minerals which may be produced and saved from or attributable to the Oil and Gas Properties of any Person, including all oil in tanks and gas in pipelines or in storage, and includes “as-extracted” collateral as defined in the Applicable UCC.

***“Immovable Property”*** means all rights, titles, interests and estates now or hereafter acquired in and to oil and gas leases, oil, gas and mineral leases, or other liquid or gaseous hydrocarbon leases, surface interests, mineral servitude interests, overriding royalty and royalty interests, net profit interests and production payment interests, including any reserved or residual interests of whatever nature, all Wells, and all rents, issues, profits, proceeds, products, revenues and other incomes from or attributable to any of the foregoing interests, in each case, which are described on Exhibit 1.

***“Indemnified Parties”*** means Mortgagee, the Lenders, each of their respective Affiliates, and their officers, directors, members, managers, employees, representatives, agents, attorneys, accountants, and experts.

***“Lenders”*** is defined in the introductory paragraph of this Mortgage.

**“Lien”** means any interest in Mortgaged Property securing an obligation owed to, or a claim by, a Person other than the owner of the Mortgaged Property, whether such interest is based on the common law, statute or contract, and whether such obligation or claim is fixed or contingent, and including but not limited to (a) the lien or security interest arising from a mortgage, privilege, encumbrance, pledge, security agreement, conditional sale or trust receipt or a lease, consignment or bailment for security purposes or (b) production payments and the like payable out of Oil and Gas Properties. The term “Lien” shall include easements, restrictions, servitudes, permits, conditions, covenants, exceptions or reservations that burden Mortgaged Property to the extent they secure an obligation owed to a Person other than the owner of the Mortgaged Property. For the purposes of this Mortgage, the Mortgagor shall be deemed to be the owner of any Mortgaged Property which they have acquired or hold subject to a conditional sale agreement, or leases under a financing lease or other arrangement pursuant to which title to the Mortgaged Property has been retained by or vested in some other Person in a transaction intended to create a financing.

**“Loan”** has the meaning given to the term “Term Loan” in the Loan Agreement.

**“Loan Agreement”** is defined in Paragraph A of the Recitals of this Mortgage.

**“Loan Documents”** has the meaning given to such term in the Loan Agreement.

**“Mortgaged Property”** or **“Mortgaged Properties”** means the Oil and Gas Properties and other properties and assets described in Section 2.01; *provided, however*, that, notwithstanding any provision in this Mortgage to the contrary, in no event is any Building (as defined in the applicable Flood Insurance Regulation) or Manufactured (Mobile) Home (as defined in the applicable Flood Insurance Regulation) included in the definition of Mortgaged Property and no Building or Manufactured (Mobile) Home is by this Mortgage encumbered by this Mortgage other than pursuant to the Loan Agreement; *provided further, however*, that (x) Mortgagor’s interests in all lands and Hydrocarbons situated under any such Building or Manufactured (Mobile) Home is included in the definition of “Mortgaged Property” and is encumbered by this Mortgage and (y) Mortgagor will not permit any Lien on any Building or Manufactured (Mobile) Home to exist except Excepted Liens.

**“Mortgagor”** and **“Mortgagee”** are defined in the introductory paragraph of this Mortgage.

**“Note”** means, individually or collectively as the context dictates, the promissory notes issued by the Borrower to the Lenders to evidence the Loan made pursuant to the Loan Agreement.

**“Obligations”** has the meaning given to such term in the Loan Agreement.

**“Oil and Gas Properties”** means (a) Hydrocarbon Interests; (b) the properties now or hereafter pooled or unitized with Hydrocarbon Interests; (c) all presently existing or future unitization, communitization, pooling agreements and declarations of pooled units and the units created thereby (including all units created under orders, regulations and rules of any Governmental Authority) which may affect all or any portion of the Hydrocarbon Interests; (d) all operating agreements, production sales or other contracts, farmout agreements, farm-in agreements, area of mutual interest agreements, equipment leases and other agreements which relate to any of the Hydrocarbon Interests or any interests therein or to the production,

transportation, sale, purchase, exchange, processing, handling, storage, transporting or marketing of the Hydrocarbons from or attributable to such Hydrocarbon Interests; (e) all Hydrocarbons; (f) all tenements, hereditaments, appurtenances and properties in any manner appertaining, belonging, affixed or incidental to the Hydrocarbon Interests, including all compressor sites, settling ponds and equipment or pipe yards; and (g) all properties, rights, titles, interests and estates described or referred to above whether now owned or hereinafter acquired, including any and all property, real or personal, immoveable or moveable, situated upon, used or held for use in connection with the operating, working or development of any of such Hydrocarbon Interests or property (excluding drilling rigs, automotive equipment, rental equipment or other personal property which may be on such premises for the purpose of drilling a well or for other similar temporary uses) and including any and all oil wells, gas wells, injection wells or other wells, structures, fuel separators, liquid extraction plants, plant compressors, pumps, pumping units, pipelines, sales and flow lines, gathering systems, field gathering systems, salt water disposal facilities, tanks and tank batteries, fixtures, valves, fittings, machinery and parts, engines, boilers, steam generation facilities, meters, apparatus, equipment, appliances, tools, implements, cables, wires, towers, casing, tubing and rods, surface leases, rights-of-way, easements, servitudes, licenses and other surface and subsurface rights, together with all additions, substitutions, replacements, accessions and attachments to any and all of the foregoing.

***“Paid in Full”*** means the principal of and interest on the Loans and all fees payable hereunder and all other amounts payable under the Loan Documents (other than contingent indemnification obligations for which no claim has been received by the Borrower) shall have been paid in full.

***“Person”*** means an individual, corporation, partnership, limited liability company, joint venture, trust or unincorporated organization, joint stock company, or other organization, government or any political subdivision thereof, a court, or any other legal entity, whether acting in an individual, fiduciary, or other capacity.

***“Secured Obligations”*** is defined in Section 2.03.

***“Security Instruments”*** means, collectively, the Security Documents (as defined in the Loan Agreement), the Mortgages (as defined in the Loan Agreement) and all other agreements, instruments and documents executed by the Borrower in connection with this Mortgage that are intended to create, perfect or evidence Liens to secure the Obligations.

***“UCC Collateral”*** means the property and other assets described in Section 2.02.

***“Well”*** or ***“Wells”*** as defined and more particularly described in Exhibit 1.

***“Working Interest”*** or ***“Gross Working Interest”*** and ***“W.I.”*** or ***“G.W.I.”*** is defined in Exhibit 1.

## ARTICLE II GRANT OF LIEN AND SECURED OBLIGATIONS

Section 2.01 Grant of Liens. To secure payment of the Secured Obligations, Mortgagor does by these presents by this Mortgage:

(a) MORTGAGE, HYPOTHECATE, and PLEDGE to Mortgagee, with mortgage covenants, and upon the statutory mortgage condition for the breach of which this Mortgage may be subject to foreclosure as provided by applicable law, all the following properties, rights and interests which are located in (or cover or relate to properties located in) the state of Louisiana, or which are located within (or cover or relate to properties located within) the Outer Continental Shelf or other offshore area adjacent to such State over which the United States of America asserts jurisdiction and to which the laws of such State are applicable with respect to this Mortgage and/or the Liens created by this Mortgage:

(1) all rights, titles, interests, and estates now owned or hereafter acquired by Mortgagor in and to the Oil and Gas Properties described on Exhibit 1.

(2) all rights, titles, interests and estates now owned or hereafter acquired by Mortgagor in and to all geological, geophysical, engineering, accounting, title, legal, and other technical or business data concerning the Oil and Gas Properties and/or the Hydrocarbons, and all books, files, records, magnetic media, computer records, and other forms of recording or obtaining access to such data.

(3) all rights, titles, interests, and estates now owned or hereafter acquired by Mortgagor in and to all Hydrocarbons.

(4) all rights, titles, interests, and estates now owned or hereafter acquired by Mortgagor in and to all Immovable Property.

(5) any property that may from time to time hereafter, by delivery or by writing of any kind, be subjected to the Liens of this Mortgage by Mortgagor or by anyone on Mortgagor's behalf; and Mortgagee is by this Mortgage authorized to receive the same at any time as additional security hereunder.

(6) all of the rights, titles and interests of every nature whatsoever now owned or hereafter acquired by Mortgagor in and to the Oil and Gas Properties described on Exhibit 1 and all other rights, titles, interests, and estates and every part and parcel thereof, including, without limitation, any rights, titles, interests, and estates as the same may be enlarged by the discharge of any payments out of production or by the removal of any charges or Excepted Liens to which any of such Oil and Gas Properties or other rights, titles, interests and estates are subject or otherwise; all rights of Mortgagor to Liens securing payment of proceeds from the sale of production from any of such Oil and Gas Properties, together with any and all renewals and extensions of any of such related rights, titles, interests, and estates; all contracts and agreements supplemental to or amendatory of or in substitution for the contracts and agreements described or mentioned above; and any

and all additional interests of any kind hereafter acquired by Mortgagor in and to such related rights, titles, interests, a estates.

Any fractions or percentages specified on Exhibit 1 in referring to Mortgagor's interests are solely for purposes of the warranties made by Mortgagor pursuant to Section 4.02 and will in no manner limit the quantum of interest conveyed by this Section 2.01 with respect to any Oil and Gas Property or with respect to any unit or Well identified on Exhibit 1.

Section 2.02 Grant of Security Interest. To further secure the Secured Obligations, Mortgagor by this Mortgage grants to Mortgagee a security interest in and to all of the following (whether now or hereafter acquired by operation of law or otherwise) movable (personal) property, corporeal or incorporeal:

- (a) all Accounts;
- (b) all Deposit Accounts (other than payroll, withholding tax and other fiduciary Deposit Accounts), all Commodity Accounts and all Securities Accounts;
- (c) all Documents;
- (d) all General Intangibles (including, without limitation, rights in and under any Payment Intangible or any Commodity Contract) and all rights under insurance contracts and rights to insurance proceeds;
- (e) all Instruments;
- (f) all Goods;
- (g) all Letter-of-Credit Rights (whether or not the applicable letter of credit is evidenced by a writing);
- (h) all As-Extracted Collateral from or attributable to the Oil and Gas Properties;
- (i) all books and records pertaining to the Oil and Gas Properties;
- (j) all Fixtures;
- (k) all Hydrocarbons in and under and which may be extracted, produced and saved from or attributable to the Hydrocarbon Interests, the lands covered thereby and Mortgagor's interests therein, including all oil in tanks, gas in pipelines or in storage, and all rents, issues, profits, proceeds, products, revenues and other income from or attributable to the Hydrocarbon Interests, the lands covered thereby and Mortgagor's interests therein which are subjected or required to be subjected to the liens and security interests of this Mortgage;
- (l) to the extent not otherwise included, any other property insofar as it consists of personal property of any kind or character defined in and subject to the Applicable UCC; and

(m) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing and all collateral security, guarantees and other Supporting Obligations given with respect to any of the foregoing.

Notwithstanding anything else herein, the security interest granted hereunder shall not in any event include a security interest on any Excluded Assets.

Section 2.03 Secured Obligations. This Mortgage is executed and delivered by Mortgagor to secure and enforce the following (the “*Secured Obligations*”):

(a) Payment of and performance of any and all indebtedness, fees, interest, indemnities, reimbursements, obligations and liabilities of Mortgagor or any guarantor (including interest accruing during the pendency of an insolvency or liquidation proceeding, regardless of whether allowed or allowable in such insolvency or liquidation proceeding) pursuant to the Loan Agreement, this Mortgage or any other Loan Document, whether now existing or hereafter arising and being in the original principal amount of up to US Fifty Million and No/100 Dollars (\$50,000,000.00) with final maturity to be payable on demand;

(b) Any sums which may be advanced or paid by Mortgagee or the Lenders under the terms of this Mortgage or of any Loan Document on account of the failure of Mortgagor or any of Mortgagor’s Subsidiaries to comply with the covenants of Mortgagor contained in this Mortgage, or in any Loan Document, whether pursuant to Section 4.12 or otherwise, and all other obligations, liabilities and indebtedness of Mortgagor or any other guarantor arising pursuant to the provisions of this Mortgage or any Loan Document;

(c) Any additional loans made by any Lender to Mortgagor or any other guarantor under the Loan Agreement. The Lenders may lend additional sums to Mortgagor under the Loan Agreement from time to time, but will not be obligated to do so, and any such additional loans will be secured by this Mortgage;

(d) To the extent not addressed in subsections (a) through (c) of this Section 2.03, Future Advances;

(e) To the extent not addressed in subsections (a) through (d) of this Section 2.03, the Obligations as that term is defined in the Loan Agreement;

(f) Any and all renewals, modifications, substitutions, rearrangements or extensions of any of the foregoing, whether in whole or in part;

(g) Any and all judgments, orders, awards, and decrees arising from or related to any of the foregoing, whether in whole or in part;

(h) TO THE EXTENT NOT INCLUDED IN THE FOREGOING SUBSECTIONS (A) THROUGH (G) OF THIS SECTION 2.03, THE PAYMENT OF ALL FUTURE AND ADDITIONAL INDEBTEDNESS, DIRECT OR INDIRECT, CREATED AFTER THE DATE OF THIS MORTGAGE, WHICH MAY BE OWING BY MORTGAGOR TO MORTGAGEE OR THE LENDERS AT ANY TIME PRIOR TO PAYMENT IN FULL

WITH INTEREST OF THE NOTE (SUCH ADDITIONAL INDEBTEDNESS TO BE SECURED BY THIS MORTGAGE REGARDLESS OF WHETHER THE SAME IS PREDICATED UPON FUTURE LOANS OR ADVANCES HEREAFTER MADE BY THE MORTGAGEE OR THE LENDERS, OR OBLIGATIONS HEREAFTER ACQUIRED BY MORTGAGEE OR THE LENDERS THROUGH ASSIGNMENT, SUBROGATION OR OTHERWISE), AND IT IS AGREED THIS MORTGAGE SHALL STAND AS SECURITY FOR ALL SUCH FUTURE AND ADDITIONAL INDEBTEDNESS WHETHER IT BE INCURRED FOR ANY BUSINESS OR OTHER PURPOSE THAT WAS RELATED OR WHOLLY UNRELATED TO THE PURPOSES OF THE FOREGOING SECURED OBLIGATIONS, OR WHETHER IT WAS INCURRED FOR SOME PERSONAL OR NON-BUSINESS PURPOSE, OR FOR ANY OTHER PURPOSE RELATED OR UNRELATED, OR SIMILAR OR DISSIMILAR TO THE PURPOSE OF THE FOREGOING SECURED OBLIGATIONS.

Section 2.04 Fixture Filing, As-Extracted Collateral. Without in any manner limiting the generality of any of the other provisions of this Mortgage: (1) some portions of the goods described or to which reference is made in this Mortgage are or are to become Fixtures on the land described or to which reference is made in this Mortgage or on Exhibit 1; (2) the security interests created by this Mortgage under applicable provisions of the Applicable UCC will attach to all As-Extracted Collateral (all minerals including oil and gas and the Accounts resulting from the sale at the wellhead or minehead located on the Oil and Gas Properties described or to which reference is made in this Mortgage or on Exhibit 1) and all other Hydrocarbons; (3) this Mortgage is to be filed of record in the real estate records or other appropriate records as a financing statement; and (4) Mortgagor is the record owner of the real estate or interests in the real estate or immovable property comprised of the Mortgaged Property.

Section 2.05 Pro Rata Benefit. This Mortgage is executed and granted for the pro rata benefit and security of Mortgagee and the Lenders to secure the Secured Obligations for so long as same remains unpaid and thereafter until the Secured Obligations have been Paid in Full.

Section 2.06 Accounting Terms; GAAP; Pro Forma Calculations. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either Borrower or the Required Lenders shall so request, the Agent, the Lenders and Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) Borrower shall provide to the Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP; provided further that notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made without giving effect to any change to GAAP occurring after December 31, 2017, as a result of the adoption of any proposals set forth in the *Proposed Accounting Standards Update, Leases (Topic 840)*, issued by the Financial Accounting Standards Board on August 17, 2010, or



any other proposals issued by the Financial Accounting Standards Board in connection therewith, in each case if such change would require treating any lease (or similar arrangement conveying the right to use) as a capital lease where such lease (or such similar arrangement) was not required to be so treated under GAAP as in effect on December 31, 2017.

### **ARTICLE III ASSIGNMENT OF AS-EXTRACTED COLLATERAL**

#### **Section 3.01 Assignment of Production.**

(a) Mortgagor has absolutely and unconditionally assigned, transferred, conveyed, and granted a security interest, and does by this Mortgage absolutely and unconditionally assign, transfer, convey, and grant a security interest unto Mortgagee in and to:

(i) all of its As-Extracted Collateral located in or relating to the Mortgaged Properties located in the parish or parishes where this Mortgage is filed, including without limitation, all As-Extracted Collateral relating to the Hydrocarbon Interests, the Hydrocarbons and all products obtained or processed therefrom;

(ii) the revenues and proceeds now and hereafter attributable to such Mortgaged Properties, including the Hydrocarbons, and said products and all payments in lieu, such as “take or pay” payments or settlements; and

(iii) all amounts and proceeds hereafter payable to or to become payable to Mortgagor or now or hereafter relating to any part of such Mortgaged Properties and all amounts, sums, monies, revenues and income which become payable to Mortgagor from, or with respect to, any of the Mortgaged Properties, present or future, now or hereafter constituting a part of the Hydrocarbon Interests.

(b) The Hydrocarbons and products are to be delivered into pipelines connected with the Mortgaged Property, or to the purchaser thereof, to the credit of Mortgagee, free and clear of all taxes, charges, costs and expenses; and all such revenues and proceeds will be paid directly to Mortgagee, at its offices in New York, New York, with no duty or obligation of any party paying the same to inquire into the rights of Mortgagee to receive the same, what application is made thereof, or as to any other matter, provided that so long as no Event of Default is continuing, Grantor shall be entitled to receive such revenues and proceeds.

(c) If and so long as an Event of Default is continuing, Mortgagor shall perform all such acts, and to execute all such further assignments, transfers and division orders and other instruments as may be reasonably required or desired by Mortgagee or any party in order to have said proceeds and revenues so paid to Mortgagee. In addition to any and all rights of a secured party under sections 9-607 and 9-609 of the Applicable UCC, Mortgagee is fully authorized, upon the occurrence and continuation of an Event of Default, to receive and receipt for said revenues and proceeds; to endorse and cash any and all checks and drafts payable to the order of Mortgagor or Mortgagee for the account of Mortgagor received from or in connection with said revenues or proceeds and to hold the proceeds thereof in a Deposit Account as additional collateral securing the Secured Obligations; and to execute transfer and division orders in the name of Mortgagor, or



otherwise, with warranties typical to such orders binding Mortgagor. After the occurrence and during the continuation of an Event of Default and to the extent permitted by applicable Requirements of Law, all proceeds received by Mortgagee pursuant to this grant and assignment will be applied as provided in Section 5.14.

(d) Mortgagee will not be liable for any delay, neglect or failure to effect collection of any proceeds or to take any other action in connection therewith or hereunder; but if an Event of Default has occurred and is continuing Mortgagee will have the right, at its election, in the name of Mortgagor or otherwise, to prosecute and defend any and all actions or legal proceedings deemed advisable by Mortgagee in order to collect such funds and to protect the interests of Mortgagee and/or Mortgagor, with all reasonable and documented costs, expenses, and attorneys' fees incurred in connection therewith being paid by Mortgagor.

(e) Mortgagor by this Mortgage appoints Mortgagee as its attorney-in-fact to pursue any and all rights of Mortgagor to Liens in the Hydrocarbons securing payment of proceeds of runs attributable to the Hydrocarbons. In addition to the Liens granted to Mortgagee in Section 2.01(a)(6), Mortgagor further transfers and assigns to Mortgagee any and all such Liens, security interests, financing statements, or similar interests of Mortgagor attributable to its interest in the As-Extracted Collateral, any other Hydrocarbons, and proceeds of runs therefrom, whether arising under or created by statute, judicial decision, contract, or otherwise. The power of attorney granted to Mortgagee in this Section 3.01, being coupled with an interest, will be irrevocable until the Secured Obligations have been Paid in Full.

(f) Until such time as an Event of Default has occurred and is continuing, Mortgagee by this Mortgage grants to Mortgagor a license to sell, receive and take any other actions reasonably necessary and consistent with Mortgagor's business practices with respect to the proceeds from the sale of Hydrocarbons (the "*License*"), which License will automatically terminate upon such Event of Default and for so long as the same continues. Under the License, Mortgagor will have the right to receive rents provided that Mortgagor will apply the proceeds in a manner consistent with the Loan Agreement.

Section 3.02 No Modification of Payment Obligations. Nothing in this Mortgage contained will modify or otherwise alter the obligation of Mortgagor to make prompt payment of all amounts constituting Secured Obligations when and as the same become due regardless of whether the proceeds of the As-Extracted Collateral and Hydrocarbons are sufficient to pay the same and the rights provided in accordance with the foregoing assignment provision will be cumulative of all other security of any and every character now or hereafter existing to secure payment of the Secured Obligations. Nothing in this Article III is intended to be an acceptance of Collateral in satisfaction of the Secured Obligations.

#### **ARTICLE IV REPRESENTATIONS, WARRANTIES AND COVENANTS**

To the best of its knowledge, Mortgagor by this Mortgage represents, warrants, and covenants as follows:

Section 4.01 Incorporation of Representations and Warranties from Loan Agreement. The representations and warranties applicable to Mortgagor contained in Article IV of the Loan Agreement are incorporated into this Mortgage by reference as though specifically set forth in this Mortgage.

Section 4.02 Title. Subject to Excepted Liens, but otherwise free and clear of all Liens, Mortgagor has good and merchantable title to the Mortgaged Properties. Subject to Excepted Liens, but otherwise free and clear of all Liens, Mortgagor has good title to, or valid leasehold interests in, licenses of, or rights to use, the UCC Collateral.

Section 4.03 Defend Title. This Mortgage is, and always will be kept, a direct first priority Lien upon the Collateral; provided that Excepted Liens may exist, but no intent to subordinate the priority of the Liens created by this Mortgage is intended or inferred by such existence. Mortgagor will not create or suffer to be created or permit to exist any Lien, security interest or charge prior or junior to or on a parity with the Lien of this Mortgage upon the Collateral or any part thereof other than such Excepted Liens. Subject to Excepted Liens, Mortgagor will warrant and defend the title to the Collateral against the claims and demands of all other Persons whomsoever and will maintain and preserve the Lien created by this Mortgage (and its priority) until the Secured Obligations are Paid in Full. If (i) an adverse claim be made against or a cloud develop upon the title to any part of the Collateral other than a Excepted Lien or (ii) any Person, including the holder of a Excepted Lien, challenges the priority or validity of the Liens created by this Mortgage, then Mortgagor shall immediately defend against such adverse claim, take appropriate action to remove such cloud or subordinate such Excepted Liens, in each case, at Mortgagor's sole cost and expense. Mortgagee may take such other action as it deems advisable to protect and preserve its interests in the Collateral, and in such event Mortgagor will indemnify Mortgagee and the Lenders against any and all reasonable and documented costs, attorneys' fees, and other expenses which they may incur in defending against any such adverse claim or taking action to remove any such cloud.

Section 4.04 Not a Foreign Person. Mortgagor is not a "foreign person" within the meaning of the Code, sections 1445 and 7701 (*i.e.*, Mortgagor is not a non-resident alien, foreign corporation, foreign partnership, foreign trust or foreign estate as those terms are defined in the Code and any regulations promulgated thereunder).

Section 4.05 Power to Create Lien and Security. Mortgagor has full power and lawful authority to grant, bargain, sell, assign, transfer, mortgage and convey a security interest in all of the Collateral in the manner and form in this Mortgage provided. No authorization, approval, consent or waiver of any lessor, sublessor, Governmental Authority or other party or parties whomsoever is required in connection with the execution and delivery by Mortgagor of this Mortgage that has not been obtained.

Section 4.06 [Intentionally deleted.].

Section 4.07 Rentals Paid; Leases in Effect. All rentals and royalties due and payable in accordance with the terms of any leases or subleases comprising a part of the Mortgaged Property have been duly paid or provided for in all material respects (except for where (a) the validity or

amount thereof is being contested by the Mortgagor in good faith by appropriate proceedings, and the Parent or such Restricted Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP or (b) the failure to make payment could not reasonably be expected to result in a Material Adverse Effect or result in the forfeiture, loss, seizure or levy of any material property of the Grantor), and all leases or subleases comprising a part of the Oil and Gas Property are in full force and effect in all material respects.

Section 4.08 Drilling Obligations. There are no obligations, other than any applicable obligations pursuant to the Loan Documents, that require the drilling of additional Wells or operations to earn or to continue to hold any of the Oil and Gas Properties in force and effect, except for oil and gas leases that are still within their primary term (each of which will require drilling operations to perpetuate it beyond its primary term) and the standard provision in certain oil and gas leases that requires either production or operations to perpetuate each respective lease after the expiration of its primary term.

Section 4.09 Operation of Oil and Gas Properties. Mortgagor will operate or cause its Oil and Gas Properties to be operated in a careful and efficient manner in accordance with the customary practices of the industry and in compliance with all applicable contracts and agreements and in compliance with all applicable Governmental Requirements, including applicable proration requirements and Environmental Laws, and all applicable laws, rules and regulations of every other Governmental Authority from time to time constituted to regulate the development and operation of such Oil and Gas Properties and the production and sale of Hydrocarbons and other minerals therefrom.

Section 4.10 Operation By Third Parties. If any portion of the Mortgaged Property is comprised of interests which are not Working Interests or which are not operated by Mortgagor or one of its Affiliates, then with respect to such interests and properties, Mortgagor's covenants as expressed in this Article IV are modified to require that Mortgagor use all reasonably commercial efforts necessary to obtain compliance with such covenants by the Working Interest owners or the operator or operators of such Mortgaged Properties.

Section 4.11 Surrender or Termination. Except as permitted by the Loan Documents, Mortgagor will not, without Mortgagee's prior written consent, terminate any of the Hydrocarbon Interests nor surrender or release any of the lands covered thereby except any undeveloped lands or any Hydrocarbon Interest covering only undeveloped lands which may be surrendered, released or terminated so long as neither Mortgagor nor any Affiliate of Mortgagor acquires an interest in such lands within one (1) year after the release or surrender thereof (whether voluntarily or involuntarily), without prior written consent of Mortgagee. The expiration of a Hydrocarbon Interest in accordance with its terms (other than by termination, surrender or release by Mortgagor) will not be considered to be a voluntary release, termination, surrender or abandonment thereof; but Mortgagor will have an obligation to give Mortgagee and the Lenders written notice of any Hydrocarbon Interest which will expire or terminate ninety (90) days prior to the expiration or termination of such Hydrocarbon Interest. If, within one (1) year from the lapse, termination, or release of a Hydrocarbon Interest, Mortgagor or any Affiliate of Mortgagor (a) re-leases all or any portion of the same lands covered by the lapsed, terminated or released Hydrocarbon Interest, or (b) acquires all or any interest in an oil and gas lease covering all or any portion of the same lands

covered by the lapsed, terminated, or released Hydrocarbon Interest, the renewal or new lease will become subject to the terms of this Mortgage.

Section 4.12 Failure to Perform. If Mortgagor fails to perform any act or to take any action which it is required to perform or take hereunder or pay any money which Mortgagor is required to pay hereunder, Mortgagee, in Mortgagor's name or its own name, may, but will not be obligated to, perform or cause to perform such act or take such action or pay such money, and any reasonable and documented expenses so incurred by Mortgagee and any money so paid by Mortgagee will be a demand obligation owing by Mortgagor to Mortgagee, and Mortgagee, upon making such payment, will be subrogated to all of the rights of the Person receiving such payment. Each amount due and owing by Mortgagor to Mortgagee pursuant to this Mortgage will bear interest from the date of such expenditure or payment to such Person until paid at the Default Rate.

## **ARTICLE V RIGHTS AND REMEDIES**

Section 5.01 Event of Default. An Event of Default under the Loan Agreement is an "***Event of Default***" under this Mortgage.

### Section 5.02 Foreclosure and Sale.

(a) If an Event of Default occurs and is continuing, to the extent provided by applicable law, Mortgagee will have the right and option to proceed with foreclosure and to sell all or any portion of such Mortgaged Property or UCC Collateral at one or more sales, as an entirety or in parcels, at such place or places in otherwise such manner and upon such notice as may be required by law, or, in the absence of any such requirement, as Mortgagee may deem appropriate, and to make conveyance to the purchaser or purchasers. Where the Mortgaged Property or UCC Collateral is situated in more than one jurisdiction, notice as above provided will be posted and filed in all such jurisdictions (if such notices are required by law), and all such Mortgaged Property or UCC Collateral may be sold in any such jurisdiction and any such notice will designate the jurisdiction where such Mortgaged Property or UCC Collateral is to be sold. Nothing contained in this Section 5.02 will be construed to limit in any way any rights to sell the Mortgaged Property, UCC Collateral or any portion thereof by private sale if and to the extent that such private sale is permitted under the laws of the applicable jurisdiction or by public or private sale after entry of a judgment by any court of competent jurisdiction so ordering. Mortgagor by this Mortgage irrevocably appoints, effective upon the occurrence and during the continuance of an Event of Default, Mortgagee, with full power of substitution, to be the attorney-in-fact of Mortgagor and in the name and on behalf of Mortgagor to execute and deliver any deeds, transfers, conveyances, assignments, assurances, and notices which Mortgagor ought to execute and deliver and do and perform any and all such acts and things which Mortgagor ought to do and perform under the covenants in this Mortgage contained and generally, to use the name of Mortgagor in the exercise of all or any of the powers by this Mortgage conferred on Mortgagee. At any such sale: (1) whether made by virtue of any judicial proceedings or any other legal right, remedy, or recourse, it will not be necessary for Mortgagee to have physically present, or to have constructive possession of, the Mortgaged Property or UCC Collateral (Mortgagor by this Mortgage covenanting and agreeing to deliver any portion of the Mortgaged Property or UCC Collateral not actually or constructively

possessed Mortgagee immediately upon his or its demand) and the title to and right of possession of any such property will pass to the purchaser thereof as completely as if the same had been actually present and delivered to purchaser at such sale, (2) each instrument of conveyance executed by Mortgagee will contain a general warranty of title, binding upon Mortgagor and its successors and assigns, (3) each and every recital contained in any instrument of conveyance made by Mortgagee will conclusively establish the truth and accuracy of the matters recited therein, including, without limitation, nonpayment of the Secured Obligations, advertisement and conduct of such sale in the manner provided in this Mortgage and otherwise by law, (4) any and all prerequisites to the validity thereof will be conclusively presumed to have been performed, (5) the receipt of Mortgagee or of such other party or officer making the sale will be a sufficient discharge to the purchaser or purchasers for its purchase money and no such purchaser or purchasers, or its assigns or personal representatives, will thereafter be obligated to see to the application of such purchase money, or be in any way answerable for any loss, misapplication or nonapplication thereof, (6) Mortgagor will be completely and irrevocably divested of all of its right, title, interest, claim and demand whatsoever, either at law or in equity, in and to the property sold and such sale will be a perpetual bar both at law and in equity against Mortgagor, and against any and all other Persons claiming or to claim the property sold or any part thereof, by, through or under Mortgagor, and (7) Mortgagee or one or more Lenders may be a purchaser at any such sale, and will have the right, after paying or accounting for all costs of said sale or sales, to credit the amount of the bid upon the amount of the Secured Obligations in lieu of cash payment. Anything in this Section 5.02(a) to the contrary notwithstanding, the Mortgagee agrees that it will not exercise any rights under the power of attorney provided for in this Section 5.02(a) unless an Event of Default has occurred and is continuing.

(b) If an Event of Default occurs and is continuing, then (i) Mortgagee will be entitled to all of the rights, powers and remedies afforded a secured party by the Applicable UCC with reference to the UCC Collateral or (ii) Mortgagee may proceed as to any Collateral in accordance with the rights and remedies granted under this Mortgage or applicable law in respect of the Collateral. Such rights, powers and remedies will be cumulative and in addition to those granted to Mortgagee under any other provision of this Mortgage or under any other Loan Document. Written notice mailed to Mortgagor as provided in this Mortgage at least ten (10) days prior to the date of public sale of any part of the Collateral which is personal property subject to the provisions of the Applicable UCC, or prior to the date after which private sale of any such part of the Collateral will be made, will constitute reasonable notice.

Section 5.03 Agents. Mortgagee may appoint or delegate any one or more Persons as agent to perform any act or acts necessary or incident to any sale held by Mortgagee, including the posting of notices and the conduct of sale, but in the name and on behalf of Mortgagee. If Mortgagee gives notice of sale hereunder, any successor or substitute Mortgagee agent thereafter appointed may complete the sale and the conveyance of the property pursuant thereto as if such notice had been given by the successor or substitute Mortgagee agent conducting the sale.

Section 5.04 Judicial Foreclosure; Receivership. Upon the occurrence and during the continuance of an Event of Default, Mortgagee will have the right and power to proceed by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement in this Mortgage contained or in aid of the execution of any power in this Mortgage granted, or for

any foreclosure hereunder or for the sale of the Collateral under the judgment or decree of any court or courts of competent jurisdiction, or for the appointment of a receiver pending any foreclosure hereunder or the sale of the Collateral under the order of a court or courts of competent jurisdiction or under executory or other legal process, or for the enforcement of any other appropriate legal or equitable remedy. Any money advanced by Mortgagee in connection with any such receivership will be a demand obligation (which obligation Mortgagor by this Mortgage expressly promises to pay) owing by Mortgagor to Mortgagee and will bear interest from the date of making such advance by Mortgagee until paid at the Default Rate. Such receiver may be appointed to take possession of, hold, maintain, operate, and preserve all or a portion of the Mortgaged Properties, including the production and sale of all Hydrocarbons therefrom, and to apply the proceeds of the sale thereof as set forth in this Mortgage; and said receiver may be authorized to sell and dispose of all or a portion of the Mortgaged Properties under orders of the court appointing such receiver.

Section 5.05 Foreclosure for Installments. If an Event of Default shall occur and be continuing, then to the extent provided by applicable law, Mortgagee will also have the option to proceed with foreclosure in satisfaction of any installments of the Secured Obligations which have not been paid when due in satisfaction of the matured but unpaid portion of the Secured Obligations as if under a full foreclosure, conducting the sale as in this Mortgage provided and without declaring the entire principal balance and accrued interest and other Secured Obligations then due; such foreclosure and any subsequent sale may be made subject to the unmatured portion of the Secured Obligations, and any such foreclosure and subsequent sale will not in any manner affect the unmatured portion of the Secured Obligations, but as to such unmatured portion of the Secured Obligations this Mortgage will remain in full force and effect just as though no foreclosure and sale had been made hereunder. It is further agreed that several foreclosures and subsequent sales may be made hereunder without exhausting the right to foreclose any unmatured part of the Secured Obligations, it being the purpose of this Mortgage to provide for a foreclosure and sale of the security for any matured portion of the Secured Obligations without exhausting the power to foreclose and sell the Mortgaged Property for any subsequently maturing portion of the Secured Obligations.

Section 5.06 Separate Sales. If an Event of Default shall occur and be continuing, then to the extent provided by applicable law, the Collateral may be sold in one or more parcels in such manner and order as Mortgagee, in its sole discretion, may elect, it being expressly understood and agreed that the right to foreclose arising out of any Event of Default will not be exhausted by any one or more foreclosure and subsequent sale.

Section 5.07 Possession of Collateral. If an Event of Default occurs and is continuing, then, to the extent permitted by applicable law, Mortgagee will have the right and power to enter into and upon and take possession of all or any part of the Collateral in the possession of Mortgagor, its successors or assigns, or its or their agents or servants, and may exclude Mortgagor, its successors or assigns, and all Persons claiming under Mortgagor, and its or their agents or servants wholly or partly therefrom; and, holding the same, Mortgagee may use, administer, manage, operate and control the Collateral and conduct the business thereof to the same extent as Mortgagor, its successors or assigns, might at the time do and may exercise all rights and powers of Mortgagor, in the name, place and stead of Mortgagor, or otherwise as Mortgagee deems best.

All reasonable and documented costs, expenses and liabilities of every character incurred by Mortgagee in administering, managing, operating, and controlling the Collateral will constitute a demand obligation (which obligation Mortgagor by this Mortgage expressly promises to pay) owing by Mortgagor to Mortgagee and will bear interest from date of expenditure until paid at the Default Rate.

Section 5.08 Occupancy After Foreclosure. In the event there is a foreclosure sale hereunder and at the time of such sale Mortgagor or Mortgagor's heirs, devisees, representatives, successors or assigns or any other Person claiming any interest in the Mortgaged Property or UCC Collateral by, through or under Mortgagor, are occupying or using the Mortgaged Property, UCC Collateral or any part thereof, to the extent permitted by applicable law, the purchaser at such sale will, notwithstanding any language in this Mortgage apparently to the contrary, have the sole option to demand immediate possession following the sale. In the event Mortgagor fails to surrender possession of said property upon demand, the purchaser will be entitled to institute and maintain a summary action for possession of the Mortgaged Property or UCC Collateral (such as an action for forcible entry and detainer) in any court having jurisdiction.

Section 5.09 Remedies Cumulative, Concurrent, and Nonexclusive. Every right, power, privilege and remedy in this Mortgage given to Mortgagee is cumulative and in addition to every other right, power, privilege and remedy in this Mortgage specifically given or now or hereafter existing in equity, at law, or by statute (including specifically those granted by the Applicable UCC in effect and applicable to the UCC Collateral or any portion thereof). Each and every right, power, privilege and remedy whether specifically in this Mortgage given or otherwise existing may be exercised from time to time and so often and in such order as may be deemed expedient by Mortgagee, and the exercise, or the beginning of the exercise, or the abandonment, of any such right, power, privilege or remedy will not be deemed a waiver of the right to exercise, at the same time or thereafter any other right, power, privilege or remedy. No delay or omission by Mortgagee in the exercise of any right, power, privilege and remedy will impair any such right, power, privilege or remedy or operate as a waiver thereof or of any other right, power, privilege or remedy then or thereafter existing.

Section 5.10 Discontinuance of Proceedings. If Mortgagee proceeds to invoke any right, remedy, or recourse permitted under this Mortgage or under any Loan Document or available at law and thereafter elects to discontinue or abandon same for any reason, then it will have the unqualified right so to do and, in such an event, the parties will be restored to their former positions with respect to the Secured Obligations, this Mortgage, the Loan Agreement, the Collateral, and otherwise, and the rights, remedies, recourses, and powers of Mortgagee will continue as if same had never been invoked.

Section 5.11 No Release of Obligations. Neither Mortgagor, any guarantor nor any other Person hereafter obligated for payment of all or any part of the Secured Obligations will be relieved of such obligation by reason of: (a) the failure of Mortgagee to comply with any request of Mortgagor, or any guarantor, or any other Person so obligated, to foreclose the Lien of this Mortgage or to enforce any provision under this Mortgage or any Loan Document; (b) the release, regardless of consideration, of the Mortgaged Property or any portion thereof or interest therein or the addition of any other property to the Mortgaged Property; (c) any agreement or stipulation

between any subsequent owner of the Mortgaged Property and Mortgagee extending, renewing, rearranging or in any other way modifying the terms of this Mortgage without first having obtained the consent of, given notice to or paid any consideration to Mortgagor, any guarantor, or such other Person, and in such event Mortgagor, guarantor, and all such other Persons will continue to be liable to make payment according to the terms of any such extension or modification agreement unless expressly released and discharged in writing by Mortgagee; or (d) by any other act or occurrence save and except if the Secured Obligations are Paid In Full and any other obligations hereunder or under any Loan Document are completely fulfilled.

Section 5.12 Release of and Resort to Collateral. Mortgagee may release, regardless of consideration, any part of the Collateral without, as to the remainder, in any way impairing, affecting, subordinating, or releasing the Lien created in or evidenced by this Mortgage or its stature as a first and prior Lien in and to the Collateral, and without in any way releasing or diminishing the liability of any Person liable for the repayment of the Secured Obligations. For payment of the Secured Obligations, Mortgagee may resort to any other security therefor held by Mortgagee in such order and manner as Mortgagee may elect.

Section 5.13 Waiver of Redemption, Notice and Marshalling of Assets, Etc. To the fullest extent permitted by law, Mortgagor by this Mortgage irrevocably and unconditionally waives and releases (a) all benefits that might accrue to Mortgagor by virtue of any present or future moratorium law or other law exempting the Collateral from attachment, levy or sale on execution or providing for any appraisalment, valuation, stay of execution, exemption from civil process, redemption or extension of time for payment; and (b) any right to a marshalling of assets or a sale in inverse order of alienation. If any law referred to in this Mortgage and now in force, of which Mortgagor or its successor or successors might take advantage despite the provisions of this Mortgage, is hereafter repealed or cease to be in force, such law will thereafter be deemed not to constitute any part of the contract in this Mortgage contained or to preclude the operation or application of the provisions of this Mortgage. If the laws of any state in which any part of the Collateral is located which provides for a redemption period do not permit the redemption period to be waived, then, as to such Collateral, the redemption period will be specifically reduced to the minimum amount of time allowable by such statute.

Section 5.14 Application of Proceeds. The proceeds of any sale of the Collateral or any part thereof and all other monies received in any proceedings for the enforcement of this Mortgage or otherwise, whose application has not elsewhere in this Mortgage been specifically provided for, will be applied as follows:

(a) First, to the payment of all reasonable expenses incurred by Mortgagee and the Lenders incident to the enforcement of this Mortgage or any Loan Document to collect any portion of the Secured Obligations (including, without limiting the generality of the foregoing, expenses of any entry or taking of possession, of any sale, of advertisement thereof, and of conveyances, and court costs, compensation of agents and employees, and legal fees), and to the payment of all other reasonable and documented charges, expenses, liabilities and advances incurred or made by Mortgagee and the Lenders under this Mortgage or in executing any trust or power hereunder; and



(b) Second, as set forth in Section 2.7(b) of the Loan Agreement.

Section 5.15 Resignation of Operator. In addition to all rights and remedies under this Mortgage, at law and in equity, if any Event of Default occurs and Mortgagee exercises any remedies under this Mortgage with respect to any portion of the Mortgaged Property or UCC Collateral (or Mortgagor transfers any Mortgaged Property or UCC Collateral "in lieu of" foreclosure) whereupon Mortgagor is divested of its title to any of the Mortgaged Property or UCC Collateral, Mortgagee will have the right to request that any operator of any Mortgaged Property or UCC Collateral which is either Mortgagor or any Affiliate of Mortgagor to resign as operator under the joint operating agreement applicable thereto, and no later than sixty (60) days after receipt by Mortgagor of any such request, Mortgagor resigns (or cause such other Affiliate to resign) as operator of such Mortgaged Property or UCC Collateral.

Section 5.16 Indemnity. THE INDEMNIFIED PARTIES WILL NOT BE LIABLE, IN CONNECTION WITH ANY ACTION TAKEN PURSUANT TO THIS MORTGAGE, FOR ANY LOSS SUSTAINED BY MORTGAGOR RESULTING FROM AN ASSERTION THAT MORTGAGEE HAS RECEIVED FUNDS FROM THE PRODUCTION OF HYDROCARBONS CLAIMED BY THIRD PERSONS OR ANY ACT OR OMISSION OF ANY INDEMNIFIED PARTY IN ADMINISTERING, MANAGING, OPERATING OR CONTROLLING THE MORTGAGED PROPERTY, IN EACH CASE, ARISING UNDER ANY THEORY OF LEGAL LIABILITY, UNLESS AND ONLY TO THE EXTENT THAT SUCH LOSS IS CAUSED BY THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF THE INDEMNIFIED PARTY SEEKING INDEMNITY. NO INDEMNIFIED PARTY WILL BE OBLIGATED TO PERFORM OR DISCHARGE ANY OBLIGATION, DUTY, OR LIABILITY OF MORTGAGOR. MORTGAGOR SHALL INDEMNIFY EACH INDEMNIFIED PARTY FOR, AND TO HOLD EACH INDEMNIFIED PARTY HARMLESS FROM, ANY AND ALL LIABILITY, LOSS, OR DAMAGE WHICH MAY OR MIGHT BE INCURRED BY ANY INDEMNIFIED PARTY BY REASON OF THIS MORTGAGE OR THE EXERCISE OF RIGHTS OR REMEDIES UNDER THIS MORTGAGE. IF ANY INDEMNIFIED PARTY MAKES ANY EXPENDITURE ON ACCOUNT OF ANY SUCH LIABILITY, LOSS, OR DAMAGE, THE AMOUNT THEREOF, INCLUDING REASONABLE AND DOCUMENTED COSTS, EXPENSES, AND ATTORNEYS' FEES, WILL BE A DEMAND OBLIGATION (WHICH OBLIGATION MORTGAGOR BY THIS MORTGAGE EXPRESSLY PROMISES TO PAY) OWING BY MORTGAGOR TO SUCH INDEMNIFIED PARTY AND WILL BEAR INTEREST FROM THE DATE EXPENDED UNTIL PAID AT THE DEFAULT RATE. MORTGAGOR BY THIS MORTGAGE ASSENTS TO, RATIFIES AND CONFIRMS ANY AND ALL ACTIONS OF EACH INDEMNIFIED PARTY WITH RESPECT TO THE MORTGAGED PROPERTY TAKEN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS MORTGAGE. THE LIABILITIES OF MORTGAGOR AS SET FORTH IN THIS SECTION 5.16 WILL SURVIVE THE TERMINATION OF THIS MORTGAGE.

Section 5.17 Express Negligence. EXCEPT AS EXPRESSLY SET FORTH IN SECTION 5.16 OR ANY OTHER PROVISION OF THIS MORTGAGE, THE INDEMNITY PROVIDED IN SECTION 5.16 EXTENDS TO EACH INDEMNIFIED PARTY NOTWITHSTANDING THE SOLE OR CONCURRENT NEGLIGENCE OF EVERY KIND OR CHARACTER WHATSOEVER, WHETHER ACTIVE OR PASSIVE, WHETHER AN

AFFIRMATIVE ACT OR AN OMISSION, INCLUDING ALL TYPES OF NEGLIGENT CONDUCT IDENTIFIED IN THE RESTATEMENT (SECOND) OF TORTS, OF ONE OR MORE OF THE INDEMNIFIED PARTIES OR BY REASON OF STRICT LIABILITY IMPOSED WITHOUT FAULT ON ANY ONE OR MORE OF THE INDEMNIFIED PARTIES. THIS STATEMENT COMPLIES WITH THE EXPRESS NEGLIGENCE RULE AND IS CONSPICUOUS.

## **ARTICLE VI MISCELLANEOUS**

Section 6.01 Instrument Construed as Mortgage, Etc. This Mortgage may be construed as a mortgage, conveyance, assignment, security agreement, fixture filing, pledge, financing statement, hypothecation, or contract, or any one or more of them, in order fully to effectuate the Lien of this Mortgage and the purposes and agreements in this Mortgage set forth.

### Section 6.02 Releases.

(a) Full Release. Upon the satisfaction in full of the Secured Obligations, Mortgagee shall, upon request of Mortgagor, promptly execute and deliver to Mortgagor all requisite documentation complying with the requirements of Subpart B of Part II of Chapter 1 of Code Title XXII of Title 9 of the Louisiana Revised Statutes as is necessary to effect the cancellation and erasure from the public records of the Mortgage (including any amendments, supplements, corrections or restatements thereof). Otherwise, this Mortgage will remain and continue in full force and effect.

(b) Partial Release. If any of the Mortgaged Property is sold, transferred or otherwise disposed of by Mortgagor in a transaction permitted by the Loan Agreement, then Mortgagee, at the request and sole expense of Mortgagor, will promptly execute and deliver to Mortgagor all releases, re-conveyances or other documents reasonably necessary or desirable for the release of the Liens created by this Mortgage on the Mortgaged Property.

(c) Possession of Note. Possession of the Note (or any replacements of the Note or other instrument evidencing any part of the Secured Obligations) at any time by Mortgagor or any other guarantor will not in any manner extinguish the Secured Obligations or this Mortgage, and Mortgagor will have the right to issue and reissue the Note from time to time as its interest or as convenience may require, without in any manner extinguishing or affecting the Secured Obligations or the Lien of this Mortgage.

Section 6.03 Severability. If any provision of this Mortgage is invalid or unenforceable in any jurisdiction, the other provisions of this Mortgage will remain in full force and effect in such jurisdiction and the remaining provisions of this Mortgage will be liberally construed in favor of Mortgagee in order to effectuate the provisions of this Mortgage. The invalidity or unenforceability of any provision of this Mortgage in any jurisdiction will not affect the validity or enforceability of any such provision in any other jurisdiction.

Section 6.04 Successors and Assigns. The terms used to designate any party or group of Persons will be deemed to include the respective heirs, legal representatives, successors and assigns of such Persons.

Section 6.05 Satisfaction of Prior Encumbrance. To the extent that proceeds of the Loan Agreement are used to pay indebtedness secured by any outstanding Lien against the Mortgaged Property then the parties agree that: (a) such proceeds have been advanced at Mortgagor's request, and (b) Mortgagee will be subrogated to any and all rights and Liens owned by any owner or holder of such outstanding Liens, irrespective of whether said Liens are or have been released. It is expressly understood that, in consideration of the payment of such other indebtedness, Mortgagor by this Mortgage waives and releases all demands and causes of action for offsets and payments to, upon and in connection with the said indebtedness. This Mortgage is made with full substitution and subrogation of Mortgagee and its successors and assigns in and to all covenants and warranties by others heretofore given or made in respect of the Mortgaged Property or any part thereof.

Section 6.06 Application of Payments to Certain Obligations. If any part of the Secured Obligations cannot be lawfully secured by this Mortgage or if any part of the Mortgaged Property cannot be lawfully subject to the Lien of this Mortgage to the full extent of the Secured Obligations, then all payments made will be applied on said Secured Obligations first in discharge of that portion thereof which is not secured by this Mortgage.

Section 6.07 Nature of Covenants. The covenants and agreements in this Mortgage contained constitute covenants running with the land and interests covered or affected by this Mortgage and will be binding upon the heirs, legal representatives, successors and assigns of the parties hereto. In the event of a bankruptcy of Mortgagor, this Mortgage will not be deemed an executory contract or subject to rejection by Mortgagor. The inclusion of the phrase "successors and assigns" in some places of this Mortgage even if such phrase is omitted in other places of this Mortgage is not a selective inclusion; Mortgagor and Mortgagee each intend that this Mortgage is binding upon each of their successors and assigns and each of the covenants, restrictions, conditions, rights, obligations, and agreements of this Mortgage are real covenants running with the Mortgaged Property.

Section 6.08 Notices. All notices, requests, consents, demands and other communications required or permitted hereunder will be in writing and will be deemed sufficiently given or furnished if delivered by registered or certified United States mail, postage prepaid, or by personal service (including express or courier service) at the addresses specified in the Loan Agreement unless changed by similar notice in writing given by the particular party whose address is to be changed). Any such notice or communication will be deemed to have been given either at the time of personal delivery or, in the case of delivery at the address and in the manner provided in this Mortgage, upon receipt; provided that, service of notice as required by the laws of any state in which portions of the Mortgaged Property may be situated will for all purposes be deemed appropriate and sufficient with the giving of such notice.

Section 6.09 Counterparts. This Mortgage may be executed in several counterparts, all of which are identical, except that to facilitate recordation, if the Mortgaged Property is situated in or on the adjacent to more than one parish, descriptions of only those portions of the Mortgaged Property located in or on the adjacent to the parish in which a particular counterpart is recorded may be attached as Exhibit 1 to such counterpart, and if the Mortgaged Property is located in more than one parish, descriptions of only those portions of the Mortgaged Property located in the parish in which a particular counterpart is recorded may be attached as Exhibit 1. Each of such

counterparts will for all purposes be deemed to be an original and all such counterparts will together constitute but one and the same instrument. Complete copies of this Mortgage containing the entire Exhibit 1 have been retained by Mortgagee.

Section 6.10 Governing Law. Insofar as permitted by otherwise applicable law, this Mortgage will be construed under and governed by the laws of the state of Louisiana.

Section 6.11 Financing Statement; Fixture Filing. This Mortgage will be effective as a financing statement filed as a fixture filing with respect to all Fixtures included within the Mortgaged Property and is to be filed or filed for record in the real estate records, mortgage records or other appropriate records of each jurisdiction where any part of the Mortgaged Property (including said fixtures) are situated. This Mortgage will also be effective as a financing statement covering As-Extracted Collateral (including oil and gas and all other substances of value which may be extracted from the ground) and accounts financed at the wellhead or minehead of wells or mines located on the properties subject to the Applicable UCC and is to be filed for record in the UCC records or other appropriate records of each jurisdiction where any part of the Mortgaged Property is situated.

Section 6.12 Execution of Financing Statements. Pursuant to the Applicable UCC, Mortgagor authorizes Mortgagee, its counsel, or its representative, at any time and from time to time, to file or record financing statements, continuation statements, amendments thereto, and other filing or recording documents or instruments with respect to the Collateral without the signature of Mortgagee in such form and in such offices as Mortgagee reasonably determines appropriate to perfect the security interests of Mortgagee under this Mortgage. Mortgagor also authorizes Mortgagee, its counsel or its representative, at any time and from time to time, to file or record such financing statements that describe the collateral covered thereby as "all assets of Mortgagor," "all personal property of Mortgagor," or words of similar effect. Mortgagor shall pay all costs associated with the filing of such instruments.

Section 6.13 Exculpation Provisions. EACH OF THE PARTIES TO THIS MORTGAGE (A) HAS A DUTY TO READ THIS MORTGAGE AND IS CHARGED WITH NOTICE AND KNOWLEDGE OF THE TERMS OF THIS MORTGAGE; (B) HAS IN FACT READ THIS MORTGAGE AND IS FULLY INFORMED AND HAS FULL NOTICE AND KNOWLEDGE OF THE TERMS, CONDITIONS AND EFFECTS OF THIS MORTGAGE; (C) HAS BEEN REPRESENTED BY INDEPENDENT LEGAL COUNSEL OF ITS CHOICE THROUGHOUT THE NEGOTIATIONS PRECEDING ITS EXECUTION OF THIS MORTGAGE; (D) HAS RECEIVED THE ADVICE OF ITS ATTORNEY IN ENTERING INTO THIS MORTGAGE; (E) RECOGNIZES THAT CERTAIN OF THE TERMS OF THIS MORTGAGE RESULT IN ONE PARTY ASSUMING THE LIABILITY INHERENT IN SOME ASPECTS OF THE TRANSACTION AND RELIEVING THE OTHER PARTY OF ITS RESPONSIBILITY FOR SUCH LIABILITY. NONE OF THE PARTIES TO THIS MORTGAGE WILL CONTEST THE VALIDITY OR ENFORCEABILITY OF ANY EXCULPATORY PROVISION OF THIS MORTGAGE ON THE BASIS THAT THE PARTY HAD NO NOTICE OR KNOWLEDGE OF SUCH PROVISION OR THAT THE PROVISION IS NOT "CONSPICUOUS."

Section 6.14 References. The words “in this Mortgage,” “of this Mortgage,” “hereunder,” and other words of similar import when used in this Mortgage refer to this Mortgage as a whole, and not to any particular article, section or subsection. Any reference in this Mortgage to a Section will be deemed to refer to the applicable Section of this Mortgage unless otherwise stated in this Mortgage. Any reference in this Mortgage to an exhibit or schedule will be deemed to refer to the applicable exhibit or schedule attached hereto unless otherwise stated in this Mortgage.

Section 6.15 Recording. Mortgagor by this Mortgage authorizes Mortgagee, at Mortgagor’s own expense, to record or file this Mortgage and any amendment, extension, or supplement of this Mortgage, explicitly consented to and executed by Grantor, including applicable financing statements, in applicable offices within the state where the Collateral is located and in the state where Mortgagor is registered as a limited liability company, at any time and as often as may be necessary to preserve, protect and renew the Liens created in this Mortgage on real or personal property as the case may be.

Section 6.16 Cross Default With Other Mortgages.

Mortgagor acknowledges that Mortgagee and the Lenders have made the Loan to the Borrower (and may make future loans to the Borrower) in reliance upon the aggregate of the property secured by all of the Mortgages from the Borrower taken together being of greater value as collateral security than the sum of each properties taken separately. Mortgagor agrees that the Security Documents are and will be cross defaulted and cross-collateralized with each other so that (i) an Event of Default under the Security Documents for any of the Mortgaged Properties shall constitute an Event of Default under each of the other Security Documents which secure the Obligations or other loans made to Borrower under the Loan Agreement; (ii) an Event of Default under the Loan Agreement shall constitute an Event of Default under each of the Mortgages; (iii) the Mortgages shall constitute security for the Loan or other loans to Borrower as if a single blanket lien were placed on all of the Mortgaged Properties serving as security for the Loan and other loans; (iv) such cross collateralization shall in no event be deemed to constitute a fraudulent conveyance; and (v) Mortgagee may release any property at any time at its sole discretion without impairing its interest in the remaining assets, may foreclose or not foreclose in any order, with no priority, and sell the properties individually or in bulk all at its sole and absolute discretion subject to the terms of the Loan Agreement.

## ARTICLE VII STATE SPECIFIC PROVISIONS

Section 7.01 State Specific Provisions Generally. The state specific provisions detailed in this Article VII apply to (1) Mortgaged Property located in that state or commonwealth and (2) UCC Collateral subject to the applicable law of that state or commonwealth.

Section 7.02 Special Louisiana Provisions. In the event of any conflict between the terms and provisions of any of the other Articles of this Mortgage and this Section 7.02, the terms and conditions of this Section 7.02 shall govern and control with respect to that portion of the Mortgaged Property located in the State of Louisiana, and the related UCC Collateral:

(a) Maximum Amount. Notwithstanding any provision hereof to the contrary, the maximum principal amount of the indebtedness that may be outstanding at any time and from time to time that this Mortgage secures is fixed at US One Hundred Million and No/100 Dollars (\$100,000,000.00).

(b) Executory Process. In addition to and not in lieu or limitation of its other remedies set out in Article V of this Mortgage, Mortgagee may elect to commence appropriate Louisiana foreclosure proceedings under this Mortgage, upon which Mortgagee may cause the Mortgaged Property or the UCC Collateral (personal or movable property), or both, or any part or parts thereof, to be immediately seized and sold, whether in term of court or in vacation, under ordinary or executory process, in accordance with applicable Louisiana law, to the highest bidder for cash, with or without appraisal, and without the necessity of making additional demand upon or notifying Mortgagor or placing Mortgagor in default, all of which are expressly waived. For purposes of executory process, certified resolutions authorizing the execution of this Mortgage by Mortgagor are attached as Annex I.

(c) Keeper. Should any or all of the Mortgaged Property or UCC Collateral be seized as an incident to an action for the recognition or enforcement of this Mortgage, by executory process, ordinary process, sequestration, attachment, writ of *fieri facias* or otherwise, Mortgagor hereby agrees that the court issuing any such order shall, if requested by Mortgagee, appoint Mortgagee, or any agent designated by Mortgagee, or any Person or entity named by Mortgagee at the time such seizure is requested, or any time thereafter, as Keeper of the Mortgaged Property or the UCC Collateral, or both. The designation is pursuant to Louisiana Revised Statutes 9:5131 through 5135, inclusive, as the same may be amended, and the Mortgagee shall be entitled to all the rights and benefits afforded thereunder. The designation of Keeper made herein shall not be deemed to require the Mortgagee to provoke the appointment of such a Keeper.

(d) Confession of Judgment. For purposes of foreclosure under Louisiana executory process procedures, the Mortgagor confesses judgment and acknowledges to be indebted unto and in favor of Mortgagee, for the full amount of the Secured Obligations, whether now existing or to arise hereafter, in principal, interest, costs, expenses, attorneys' fees, and other fees and charges. Mortgagor further confesses judgment and acknowledges to be indebted unto and in favor of Mortgagee in the amount of all additional advances that Mortgagee may make on Mortgagor's behalf pursuant to this Mortgage, together with interest thereon. Upon the occurrence and during the continuance of an Event of Default, and in addition to all other rights and remedies granted the Mortgagee hereunder, it shall be lawful for and the Mortgagor hereby authorizes the Mortgagee without making a demand or putting the Mortgagor in default, a putting in default being expressly waived, to cause all and singular the Mortgaged Property or the UCC Collateral to be seized and sold after due process of law, the Mortgagor waiving the benefit of any and all laws or parts of laws relative to appraisal of Mortgaged Property seized and sold under executory process or other legal process, and consenting that the Mortgaged Property be sold without appraisal, either in its entirety or in lots or parcels, as the Mortgagee may determine, to the highest bidder for cash or on such other terms as the plaintiff in such proceedings may direct. The Mortgagee shall be granted all rights and remedies granted it hereunder as well as all rights and remedies granted to the Mortgagee under Louisiana law including the Uniform Commercial Code then in effect in Louisiana.

(e) Waivers. The Mortgagor hereby waives:

(i) The benefit of appraisal provided for in articles 2332, 2336, 2723 and 2724 of the Louisiana Code of Civil Procedure and all other laws conferring the same;

(ii) The notice of seizure provided by article 2293 of the Louisiana Code of Civil Procedure;

(iii) The 3-day delay provided for in articles 2331 and 2722 of the Louisiana Code of Civil Procedure; and

(iv) all other benefits provided under articles 2293, 2331, 2332, 2336, 2721, 2722 and 2723 of the Louisiana Code of Civil Procedure and all other articles thereof not specifically mentioned above.

(f) Declaration of Fact. Should it become necessary for Mortgagee to foreclose under this Mortgage, all declarations of fact, which are made under an authentic act before a Notary Public in the presence of two witnesses, by a Person declaring such facts to lie within his or her knowledge, shall constitute authentic evidence for purposes of executory process and also for purposes of La. R.S. 9:3504(D)(6) and La. R.S. §10:9-629, where applicable. Mortgagor specifically agrees that such an affidavit by a representative of the Mortgagee as to the existence, amount, terms and maturity of the Secured Obligations and of a default thereunder shall constitute authentic evidence of such facts for the purpose of executory process.

(g) Notary Public. The parties relieve and release the undersigned notary public of any duty to produce and attach mortgage or conveyance certificates.

(h) Terms. For purposes of the Mortgaged Property located in the State of Louisiana, the terms "Mortgaged Property," "land," "real property," and "real estate" shall be deemed to include immovable property; the term "fee estate" shall be deemed to include full ownership; the term "personal property" shall be deemed to include movable property; the term "tangible property" shall be deemed to include corporeal property; the term "intangible property" shall be deemed to include incorporeal property; the term "easements" shall be deemed to include servitudes; the term "lien" shall be deemed to include a Lien, privilege, mortgage, security instrument, assignment, or other encumbrance; the phrase "covenant running with the land" and other words of similar import shall be deemed to include a real right or a recorded lease of immovable property; and the term "county" shall be deemed to mean parish. References to the "UCC" or the "Uniform Commercial Code" shall include the Louisiana Commercial Laws, La. R.S. §10:1-101 *et seq.* The term "condemnation" will include "expropriation" as that term is used in Louisiana law.

(i) Future Obligations. Pursuant to Louisiana Civil Code article 3298 or any other applicable law, this Mortgage secures obligations that arise in the future.

(j) Novation. The Secured Obligations secured by this Mortgage will continue with respect to any new obligation arising from any novation (subjective or objective) of the

extinguished obligation as permitted by Louisiana Civil Code article 1884 or any other applicable law, as well as to any other renewals, refinancings, modifications, amendments, revisions, or extensions of the Secured Obligations

(k) No Paraph. Mortgagor acknowledges that no promissory note or other instrument has been presented to the undersigned Notary Public(s) to be paraphed for identification herewith.

(l) UCC-1. For purposes of effectuating the intent of Section 6.11, a UCC-1 financing statement in the form attached as Annex II will be filed in the UCC records, or other appropriate records of each jurisdiction where any part of the Mortgaged Property is situated.

(m) Counterparts. This Mortgage is being executed in several counterparts, all of which are identical, except that to facilitate recordation, descriptions of only those portions of the Mortgaged Property located in the parish in which a particular counterpart is recorded may be attached as Exhibit 1 to such counterpart. Each of such counterparts shall for all purposes be deemed to be an original and all such counterparts shall together constitute but one and the same instrument. A complete copy of this Mortgage containing the entire Exhibit 1 has been retained by the Mortgagee and a complete original counterpart of this Mortgage containing all portions of Exhibit 1 describing Mortgaged Property situated in the State of Louisiana has been recorded in Assumption, Beauregard, Bienville, Calcasieu, Cameron, Jefferson, Jefferson Davis, Lafayette, Lafourche, Plaquemines, St. Bernard, St. Martin, St. Mary, Terrebonne and Vermilion Parishes, Louisiana.

(n) Acceptance. The Mortgagee's acceptance of the benefits of this Mortgage is presumed without the necessity of the execution of this Mortgage by the Mortgagee in accordance with Louisiana Civil Code articles 3150 and 3289 or any other applicable law.

*[Signature and acknowledgment pages follow.]*



THUS DONE AND PASSED on this 26<sup>th</sup> day of June, 2020 but to be effective as of the Effective Date, by the Mortgagor in my presence and in the presence of the undersigned competent witnesses who hereunto sign their names with the said Mortgagor and me, Notary, after reading of the whole.

**MORTGAGOR:**

WHITE OAK RESOURCES VI, LLC,  
a Delaware limited liability company

By: [Signature]  
Name: Thomas F. Isler  
Title: President & Chief Executive Officer

**WITNESSES:**

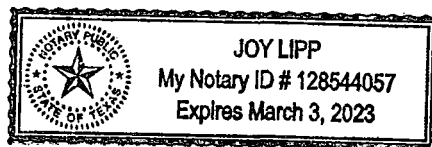
By: [Signature]  
Name: C Shawn Barnhart

By: [Signature]  
Name: Morgan Bruce

**NOTARY:**

By: [Signature]  
Name: Joy Lipp  
State of Texas  
County of Harris

My Commission expires: March 3, 2023



ANNEX I

to

**ACT OF MORTGAGE, OPEN-END MORTGAGE, MULTIPLE INDEBTEDNESS  
MORTGAGE, LINE OF CREDIT MORTGAGE, ASSIGNMENT OF AS-EXTRACTED  
COLLATERAL, SECURITY AGREEMENT, FIXTURE FILING AND FINANCING  
STATEMENT**

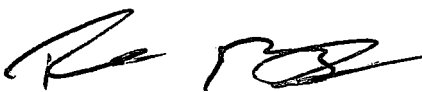
CERTIFIED RESOLUTIONS OF MORTGAGOR

I, Thomas F. Isler certify on behalf of WHITE OAK RESOURCES VI, LLC, a Delaware limited liability company (the "Company") and not in my individual capacity, that I am the President and Chief Executive Officer of the Company, that I am authorized to issue this certificate on behalf of the Company, and that attached hereto is a true and correct copy of the resolutions duly adopted by all of the directors, managers, members, general partner(s), limited partners, or applicable representatives of each such Mortgagor pursuant to unanimous written consent, each dated as of June 26, 2020, which resolutions have not been further amended, modified, or revoked, and are in full force and effect as of and on the date hereof.

IN WITNESS WHEREOF, I have hereunto set my name as of the 26<sup>th</sup> day of June, 2020.

MORTGAGOR:

**WHITE OAK RESOURCES VI, LLC**

By:   
Name: Thomas F. Isler  
Title: President

*[Resolutions attached on following page.]*

**WHITE OAK RESOURCES VI, LLC**

**WRITTEN CONSENT IN LIEU OF A MEETING OF  
THE BOARD OF MANAGERS**

The undersigned, being the entire board of managers (the "Board") of White Oak Resources VI, LLC, a Delaware limited liability company (the "Company"), in lieu of holding a meeting of the Board, hereby takes the following actions and adopts the following resolutions by written consent as of June 26, 2020, pursuant to the Third Amended and Restated Limited Liability Company Agreement of the Company, dated January 9, 2018 (the "Third A&R LLCA") and the applicable laws of the State of Delaware:

**WHEREAS**, the Company, as borrower, desires to enter into a Term Loan Agreement (the "Loan Agreement"; capitalized terms used but not defined herein shall have the respective meanings given such terms in the draft Loan Agreement provided to the Board) with White Oak Operating Company, L.L.C., as borrower, Cantor Fitzgerald Securities, as administrative agent (the "Agent"), 405 Hackberry, LLC, as collateral agent and the other Lenders from time to time party thereto, pursuant to which the Lenders will provide the Company with a term loan in an original principal amount of \$26,315,789.47, and a delayed draw term loan commitment of \$23,684,210.53;

**WHEREAS**, a draft of the Loan Agreement has been provided to the Board;

**WHEREAS**, in connection with the Loan Agreement and the other Loan Documents (as defined in the Loan Agreement) contemplated by the Loan Agreement, the Company may be required from time to time, to (a) execute and deliver or otherwise approve or provide powers of attorney, pledge agreements, guarantees, intercreditor agreements, subordination agreements, control agreements, collateral agreements, notes, mortgages, deeds of trust, grants, deeds, financing statements, assignments, consents, certifications, confirmations, notices, affidavits, waivers, amendments, restatements, addenda, and other instruments, agreements or documents relating to the Loan Agreement or the other Loan Documents or transactions contemplated thereby (collectively, the "Related Loan Documents", and, together with the Loan Agreement and all other Loan Documents, the "Transaction Documents"), and (b) take such other actions as may be necessary, convenient, advisable or appropriate to consummate the transactions contemplated by the Transaction Documents permitted under the Loan Agreement (all such actions, collectively, the "Related Actions");

**WHEREAS**, the Company proposes to enter into all necessary Transaction Documents, to consummate the transactions contemplated thereby and to take any Related Actions, and the Board believes that it is advisable and in the best interest of the Company to enter into such Transaction Documents, consummate such transactions and to take any Related Actions;

**WHEREAS**, it is desirable that the Company enter into transactions from time to time to hedge or otherwise manage interest rate, currency exchange rate and/or commodity price exposure in relation to assets or liabilities of the Company and its subsidiaries, including, without limitation, rate swap transactions, basis swaps, forward rate transactions, commodity swaps,

commodity options, bond options, interest rate options, interest rate cap transactions, interest rate floor transactions, interest rate collar transactions, foreign exchange transactions, currency swap transactions, cross-currency rate swap transactions, currency options or any other similar transactions (including any option with respect to any of these transactions), and any combination of these transactions (each, a "Derivatives Transaction"); and

**WHEREAS**, it is desirable that the Company enter into one or more agreements evidencing the Company's obligations in relation to Derivatives Transactions, including, without limitation, ISDA Master Agreements and Schedules thereto and confirmations evidencing the terms of each Derivatives Transaction (each of the foregoing, a "Derivatives Agreement"), by and between the Company and one or more financial institutions or swap dealers.

## **RESOLUTIONS**

### **I. APPROVAL OF THE LOAN AGREEMENT AND OTHER TRANSACTION DOCUMENTS**

**RESOLVED**, that the form, terms and provisions of the Loan Agreement, the issuance of any letter of credit thereunder, the incurrence of indebtedness thereunder, and the guaranties, liabilities, obligations, security interests granted and notes issued, if any, in connection therewith, be and hereby are authorized, adopted and approved in all respects;

**RESOLVED FURTHER**, that the form, terms and provisions of the Loan Documents and the other Transaction Documents to which the Company is a party, and the incurrence of indebtedness and the grant of security interests in and pledges of all or substantially all of the assets now or hereafter owned by the Company as collateral (including pledges of equity, intercompany notes and personal property, if any, as collateral) under the Transaction Documents, be and hereby are, authorized, adopted and approved; and

**RESOLVED FURTHER**, that the Company's execution and delivery of, and performance of its obligations under, the Transaction Documents to which the Company is a party and delivery, recording and/or filing of all financing statements, intellectual property filings, account control agreements, stock powers and other similar documents, in each case as is necessary, appropriate or desirable to effectuate the intent of, or matters reasonably contemplated or implied by, this resolution are hereby, in all respects, authorized and approved; and further resolved, that each of the President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and each other qualified officer of the Company (the "Authorized Officers") is hereby authorized and directed to (i) negotiate the terms of and to execute, deliver and perform any and all Transaction Documents to which the Company is a party and any and all other documents, certificates, instruments or agreements required to consummate the transactions contemplated thereby, including any Derivatives Transactions and Derivatives Agreements, and (ii) take any Related Actions, in each case in the name and on behalf of the Company, in the form approved, with such changes therein and modifications and amendments thereto as any of the Authorized Officers may in his or her sole discretion approve, which approval shall be conclusively evidenced by his or her execution and delivery thereof.

## **II. GENERAL**

**RESOLVED**, that each Authorized Officer is hereby severally authorized and directed in the name and on behalf of the Company to do or cause to be done any and all further acts which they may from time to time consider necessary, advisable, or appropriate to carry out the purpose and intent of the foregoing resolutions or to facilitate the Company's continuing relationships with its stakeholders in respect of the Transaction Documents, including, for the avoidance of doubt, any Related Actions;

**RESOLVED FURTHER**, that each Authorized Officer is hereby authorized, directed and empowered to negotiate such terms, conditions and provisions for each Transaction Document to which the Company is a party from time to time as such Authorized Officer may deem best, and to execute and deliver, as required, such Transaction Documents as may be desired or required and containing such terms, conditions and provisions as may be acceptable or agreeable to such Authorized Officer, and such acceptance and agreement to be conclusively evidenced by such Authorized Officer's execution and delivery thereof;

**RESOLVED FURTHER**, that each Authorized Officer is hereby authorized, directed and empowered to take such further action and do all things that may appear in such Authorized Officer's discretion to be necessary, proper or advisable in connection with any amendment, amendment and restatement, compromise, consent, consolidation, extension for any period, increase, rearrangement, renewal, replacement, restatement, retirement, substitution, supplement, waiver, or any other modification in respect of any term, condition or provision of each Transaction Document from time to time and the other affidavits, agreements, certificates, documents, instruments or notices executed or recorded or filed in connection therewith, including, for the avoidance of doubt, any Related Actions; and

**RESOLVED FURTHER**, that all acts, transactions, or agreements undertaken prior to the adoption of these resolutions by any Authorized Officer in connection with the foregoing matters are hereby ratified, confirmed, adopted and authorized in all respects.

## **III. MISCELLANEOUS**

**RESOLVED**, that in order to fully carry out the intent and effectuate the purposes of the foregoing resolutions, the Authorized Officers are hereby authorized to take all such further action, and to execute and deliver all such further instruments and documents, in the name and on behalf of the Company;

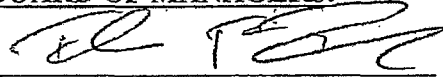
**RESOLVED FURTHER**, that the actions taken by this consent shall have the same force and effect as if taken at a meeting of the Board duly called and constituted pursuant to the Third A&R LLCA and the laws of the State of Delaware; and

**RESOLVED FURTHER**, that this consent may be executed in two or more counterparts (which may be delivered by electronic means), each deemed to be an original for all purposes, and shall together constitute one and the same consent.

\* \* \* \* \*

IN WITNESS WHEREOF, the undersigned have executed this consent as of the date first set forth above.

**BOARD OF MANAGERS:**



Thomas F. Isler

\_\_\_\_\_  
Thomas W. Hook

\_\_\_\_\_  
Andrew A. Merryman

IN WITNESS WHEREOF, the undersigned have executed this contract as of the date  
first above written.

BOARD OF MANAGERS:

Thomas F. Elder

Thomas W. Mark

Thomas W. Mark

Andrew A. Macgregor

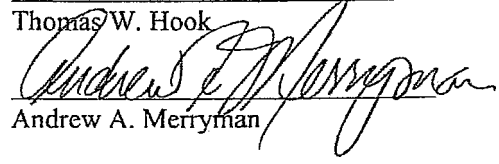
Witness my hand and seal this 1st day of May, 1914.

**IN WITNESS WHEREOF**, the undersigned have executed this consent as of the date first set forth above.

**BOARD OF MANAGERS:**

\_\_\_\_\_  
Thomas F. Isler

\_\_\_\_\_  
Thomas W. Hook

  
\_\_\_\_\_  
Andrew A. Merryman



**ANNEX II**

**to**

**ACT OF MORTGAGE, OPEN-END MORTGAGE, MULTIPLE INDEBTEDNESS MORTGAGE,  
LINE OF CREDIT MORTGAGE, ASSIGNMENT OF AS-EXTRACTED COLLATERAL,  
SECURITY AGREEMENT, FIXTURE FILING AND FINANCING STATEMENT**

**FORM OF LOUISIANA UCC-1 FINANCING STATEMENT**

*See attached.*

# UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)  <b>Buchanan Ingersoll &amp; Rooney PC</b> <b>Union Trust Building</b> <b>501 Grant Street, Suite 200</b> <b>Pittsburgh, PA 15219</b> <b>Attention: Donald E. Malecki, Esq.</b>

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b); (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME <b>White Oak Resources VI, LLC</b>				
OR	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS <b>16945 Northchase Dr., Suite 1700</b>		CITY <b>Houston</b>	STATE <b>TX</b>	POSTAL CODE <b>77060</b>
			COUNTRY <b>USA</b>	

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b); (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
			COUNTRY	

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME <b>405 HACKBERRY LLC, as Collateral Agent for the Lenders</b>				
OR	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS <b>405 Lexington Avenue, 59th Floor</b>		CITY <b>New York</b>	STATE <b>NY</b>	POSTAL CODE <b>10174</b>
			COUNTRY <b>USA</b>	

4. COLLATERAL: This financing statement covers the following collateral:

**All of Debtor's right, title and interest in the Collateral as defined and described in that Act of Mortgage, Open-End Mortgage, Multiple Indebtedness Mortgage, Line of Credit Mortgage, Assignment of As-Extracted Collateral, Security Agreement, Fixture Filing and Financing Statement attached hereto and incorporated herein for all purposes as Exhibit "A"**

5. Check <u>only</u> if applicable and check <u>only</u> one box: Collateral is <input type="checkbox"/> held in a Trust (see UCC1Ad, item 17 and Instructions) <input type="checkbox"/> being administered by a Decedent's Personal Representative				
6a. Check <u>only</u> if applicable and check <u>only</u> one box: <input type="checkbox"/> Public-Finance Transaction <input type="checkbox"/> Manufactured-Home Transaction <input type="checkbox"/> A Debtor is a Transmitting Utility			6b. Check <u>only</u> if applicable and check <u>only</u> one box: <input type="checkbox"/> Agricultural Lien <input type="checkbox"/> Non-UCC Filing	
7. ALTERNATIVE DESIGNATION (if applicable): <input type="checkbox"/> Lessee/Lessor <input type="checkbox"/> Consignee/Consignor <input type="checkbox"/> Seller/Buyer <input type="checkbox"/> Bailee/Bailor <input type="checkbox"/> Licensee/Licensor				
8. OPTIONAL FILER REFERENCE DATA: <b>VERMILION PARISH, LOUISIANA</b>				

## UCC FINANCING STATEMENT ADDENDUM

### FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because individual Debtor name did not fit, check here ☐

9a. ORGANIZATION'S NAME

**WHITE OAK RESOURCES VI, LLC**

OR

9b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME

OR

10b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

10c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

11. ☐ ADDITIONAL SECURED PARTY'S NAME or ☐ ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

11c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

13. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT:

☐ covers timber to be cut

☒ covers as-extracted collateral

☒ is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:

**SEE EXHIBIT "A" ATTACHED HERETO AND  
INCORPORATED HEREIN FOR ALL PURPOSES.**

17. MISCELLANEOUS:

**VERMILION PARISH, LOUISIANA**

## EXHIBIT 1

to

### ACT OF MORTGAGE, OPEN-END MORTGAGE, MULTIPLE INDEBTEDNESS MORTGAGE, LINE OF CREDIT MORTGAGE, ASSIGNMENT OF AS-EXTRACTED COLLATERAL, SECURITY AGREEMENT, FIXTURE FILING AND FINANCING STATEMENT

The capitalized terms used but not defined in this Exhibit 1 are used as defined in the Mortgage. For purposes of this Exhibit 1 the capitalized terms not defined in the Mortgage are as follows:

1. "Working Interest" or "Gross Working Interest" and "W.I." or "G.W.I." means an interest owned in an oil, gas and mineral lease that determines the cost bearing percentage of the owner of such interest.

2. "Net Revenue Interest" or "N.R.I." means an interest (expressed as a percentage or decimal fraction), determined net of all royalties, overriding royalties, production payments or other burdens payable out of production, in and to all Hydrocarbons produced and saved from or attributable to a Well. In the case of any Well listed in Exhibit 1 the Net Revenue Interest specified for such Well shall mean the sum of the percentage or decimal fraction set forth after the words "Net Revenue Interest" in the portion applicable to such Well plus, in the case of any Well with respect to which a royalty interest and/or overriding royalty is stated in this Exhibit 1 and applicable to such Well, the percentage or decimal fraction set forth after the words "Royalty Interest" or "Overriding Royalty Interest" in each such portion of Exhibit 1.

3. "Before Payout" or "BPO" means the Working Interest and/or Net Revenue Interest of a party before the point in time when the Well has recovered from production all costs as specified in underlying farmout, assignments or other documents in the chain of title, usually including costs of drilling, completing and equipping a well or wells plus costs of operating the well or wells during the recoupment period.

4. "After Payout" or "APO" means the Working Interest and/or Net Revenue Interest of a party after the point in time when the Well has recovered from production all costs as specified in the underlying farmout, assignments or other documents in the chain of title, usually including costs of drilling, completing and equipping a well or wells plus costs of operating the well or wells during the recoupment period.

5. "Well" means (i) any existing well identified in Exhibit 1, including any replacement well drilled in lieu thereof from which crude oil, natural gas or other Hydrocarbons are now or hereafter produced and (ii) any well at any time producing or capable of producing Hydrocarbons attributable to the Hydrocarbon Interests as defined above, including any well which has been shut-in, has temporarily ceased production or on which workover, reworking, plugging and abandonment or other operations are being conducted or planned.

All references contained in the Exhibit 1 to the Oil and Gas Properties are intended to include references to (i) the volume or book and page, file, entry or instrument number of the appropriate records of the particular parish where each such lease or other instrument is recorded and (ii) all valid and existing amendments to such lease or other instrument of record in such records regardless of whether such amendments are expressly described in this Mortgage. A special reference is here made to each such lease or other instrument and the record thereof for a more particular description of the property and interests sought to be affected by the Mortgage and for all other purposes.

For recording purposes, in regards to each parish portion to the Exhibit 1, this Introduction may be attached to an original executed copy of the Act of Mortgage, Open-End Mortgage, Multiple Indebtedness Mortgage, Line of Credit Mortgage, Assignment of As-Extracted Collateral, Security Agreement, Fixture Filing and Financing Statement to be separately filed of record in each parish.

Exhibit 1 - Wells:

Well Name	WI	NRI	APO WI*	APO NRI*	Field Name	STATE	COUNTY	OPERATOR	API NO
SS 144-159 #1 OCS-G11984	0.03200000				SHIP SHOAL BLK 145-159	OFFSHORE LA	TERREBONNE	HOACTZIN PARTNERS, LP	1771141437
SS 145 LEASE (NFX) G01014 EXP	0.09400000				SHIP SHOAL BLK 145-159	OFFSHORE LA	TERREBONNE	MCMORAN OIL & GAS LLC	
ST 111 (OCS-G05602)	0.06000000				SOUTH TIMBALIER BLK 111	OFFSHORE LA	TERREBONNE	TALOS ENERGY OFFSHORE LLC	
ST 148 D (OCS G 1898)	0.06000000				SOUTH TIMBALIER BLK 148	OFFSHORE LA	TERREBONNE	MCMORAN OIL & GAS LLC	

\* - APO Interest will only be shown if payout has not yet occurred.

Exhibit 1 - Wells:

Well Name	WI	NRI	APO WI*	APO NRI*	Field Name	STATE	COUNTY	OPERATOR	API NO
MC OCS-G 09895 A002	0.12250000	0.10090940			MISSISSIPPI CANYON 898	OFFSHORE LA	PLAQUEMINES	SHELL OFFSHORE INC.	6081741060

\* - APO Interest will only be shown if payout has not yet occurred.

Exhibit 1 - Oil and Gas Leases LA

<u>Lease</u>	<u>Lessor</u>	<u>Lessee</u>	<u>Lease date</u>	<u>ST</u>	<u>Parish</u>	<u>Prospect name</u>	<u>Book</u>	<u>Page</u>	<u>Reference</u>
MISS. CANYON	US DEPT OF INT. (BOEM) OCS-G 9895	SHELL OFFSHORE INC.	5/1/1988	LA	PLAQUEMINES	OFFSHORE LA			